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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR   | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 08/976,159      | 11/21/1997  | NEIL FREDERICK BRANDER | 2656/2              | 1527             |

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[REDACTED] EXAMINER

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| ART UNIT | PAPER NUMBER |
|----------|--------------|
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3623

DATE MAILED: 08/19/2002

23

Please find below and/or attached an Office communication concerning this application or proceeding.

|                              |                           |                  |
|------------------------------|---------------------------|------------------|
| <b>Office Action Summary</b> | Application No.           | Applicant(s)     |
|                              | 08/976,159                | BRANDER ET AL.   |
|                              | Examiner<br>Romain Jeanty | Art Unit<br>3623 |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 20 May 2002.

2a) This action is FINAL.                  2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1-10 and 12-36 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-10 and 12-36 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11) The proposed drawing correction filed on \_\_\_\_\_ is: a) approved b) disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.

12) The oath or declaration is objected to by the Examiner.

#### Priority under 35 U.S.C. §§ 119 and 120

13) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All    b) Some \* c) None of:

1. Certified copies of the priority documents have been received.

2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.

3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) The translation of the foreign language provisional application has been received.

15) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

#### Attachment(s)

|   |  |
|---|--|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____ . |
| 2) <input checked="" type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .  | 6) <input type="checkbox"/> Other: _____                                     |

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## **DETAILED ACTION**

### **Response to Arguments**

1. In view of the appeal brief filed on May 20, 2002, PROSECUTION IS HEREBY REOPENED. New grounds of rejection are set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

- (a) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,
- (b) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

Applicant argues that according to the Office Action Summary, claims 33-36 stand rejected. However, the examiner has not provided a basis for such rejection.

In response, the examiner notes that claims 33-36 were inadvertently left out. Applicant is directed to paragraph number below for the rejection of claims 33 through 36.

### **Claim Rejections - 35 USC § 103**

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-9, 12-13, 21-36 are rejected under 35 U.S.C. 103(a) as being unpatentable over The Depository Trust Company (Herein referred to "DTC") in view of Hawkins et al. (US. 5,497,317).

As to claims 1, 9, 12-13, 21-22, 29, 31,34 and 36, DTC discloses:

a system for settlement of a securities trade by obtaining agreement as to the details of the trade among a broker, institution, agent and interested parties comprising:

- a. A broker, institution, agent and interested parties to send and receive communications (Page 3, lines 1-8).
- b. A standing instruction database containing sets of instructions for trade settlement previously input by the institution, the broker and the agent (Page 3, lines 4-8).
- c. Standing instructions database (Page 3 , lines 4-6) which is configured to :
  - I. Receive a communication from the broker containing notice of order execution information (Page 3, lines 20-22).
  - ii. Receive a communication from the institution containing institution allocation institution information (Page 3, lines 22-26).
  - iii. Match, the institution communication with the broker communication based on information contained in both communications (Page 4, lines 14-16).
  - iv. If there is a match, generate a confirmation for the trade based on information contained in the broker communication, information contained in the

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institution communication and information stored in the standing instructions database  
(Page 20 , lines 5-10).

v. Make available the confirmation as a communication to the institution, broker, agent and interested parties which facilitates the exchange of money and securities to settle the trade (Page 20, lines 9-11).

DTC discloses all of the limitations above, but fails to disclose a processing computer. Hawkins discloses a trading system using a computer system to include a software, and computer processor for exchanging of funds and securities according to confirmation information (column 4, lines 65-66; column 5, lines 1-5 and claims 1 and 2).

It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to combine the disclosure of the DTC report with Hawkins et al. One would have been motivated to use this combination because it would provide the capability to quickly and efficiently execute trading transactions.

As to claims 2, 23, and 32, DTC further discloses the where the broker communication and the institution communication each contain the data fields of:

an institution identification number, a broker identification number, a security identification number, a buy/sell code, a number of shares or face value, a settlement amount (Page 35 paragraph number 4).

As to claims 3 and 24, DTC further discloses a broker identification number for that communication and the institution communication comprises a data field to reference the identification number of the broker communication and the processing computer matches the broker communication and the institution communication on the basis of the broker identification number (see entire page 34).

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As per claim 4, DTC further discloses wherein the information in the standing database contains record for the internal customer account numbers of the institution's accounts and the corresponding internal account numbers used by the broker for those accounts and a record to link those internal account numbers and if there is a match, the processing computer generates the confirmation by accessing the record that links the internal account numbers and the database on those account numbers. See pages 38 and 39.

As to claims 5 and 25, DTC further discloses an institution communication both contain a data field indicating a settlement amount for the trade, the institution communication additionally contains a tolerance data field which specifies a tolerance value by which a match based on settlement amount could vary and the processing computer matches the broker communication and the institution communication so long as the settlement amounts vary only by an amount within the tolerance (Page 36, last paragraph: Page 51, last 4 paragraphs).

As to claims 6 and 26, DTC further discloses a system in which the institution communication contains a data field which indicates that the institution is the affirming party for the trade and the processing computer generates a confirmation which contains this indication in a data field (Page 52, last two paragraphs).

As to claims 7, 8, 27, 28 and 32, DTC further discloses the processing computer being coupled to a match database into which the processing computer stores the broker and the institution communication and retrieves it before attempting to match the broker communication with the institution communication (page 12, paragraph 3).

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As to claim 13, DTC discloses: a broker communication containing data within data fields designated by:

- a. An institution identification number, a broker identification number, a security identification number, a buy/sell code, a number of shares or face value, a settlement amount, trade date, and trade settlement date (Page 35 paragraph 4).
- b. An institution communication containing data within data fields designated by:

An institution identification number, a broker identification number, a security identification number, a buy/sell code, a number of shares or face value, a settlement amount (Page 35 paragraph 4).

Compare (match), the institution communication with the broker communication based on information contained in both communications (Page 4 of 72, lines 14-16; Page 20, lines 5-10).

- iv. If there is a match, generate a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication and information stored in the standing instructions database (Page 20, lines 5-10).

DTC fails to explicitly disclose a processing computer. However, Hawkins discloses the use of a computer system and a computer processor (col. 4, lines 65-66 and col. 5, lines 1-5). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify the disclosure of the DTC by including a computer processor as taught by Hawkins. In so doing would provide the capability to execute trade transactions faster and efficiently.

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As to claim 30, DTC further discloses the claimed limitation "wherein the step of storing information in the standing database comprises the storing of records for internal customer account numbers of the institution's accounts and corresponding internal account numbers used by the broker for those accounts and a record to link those accounts and the step of generating a confirmation and comprises the further step of accessing the record that links the internal account records and accessing the internal account number records based on that link" by linking the broker account numbers to customer accounts. See page 18, paragraph 4.

As to claims 33 and 35, DTC discloses using the matched confirmation information to settle a trade agreement (Page 20 second paragraph# 2 and page 29 paragraph# 2 and 3).

4. Claims 14-17 and 19-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over DTC in view of Lupien (6,098,051).

As per claim 14, DTC discloses:

a. A trade confirmation communications system comprised to receive, process and transmit communications from and to the parties (Page 3, lines 1-8).

b. A standing instructions data base coupled to the trade confirmation communications system having at least one data table (for storing a plurality of information related to the trade stored by at least one of the parties (Page 3, lines 4-8; Page 50, paragraph# 4).

c. Receive a trade communication containing order execution information from one of the parties and receiving information concerning a trade allocation information from an other one of the parties (Page 3, lines 20-26); and

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d. The trade communications system further comprised to generate a confirmation based on information within the received communication and information stored within the standing instruction database (Page 20, lines 9-11).

DTC fails to explicitly disclose a matching controller. Lupien discloses a crossing network utilizing satisfaction density profile comprising a matching controller (col. 6, lines 46-60). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify the disclosure of DTC by including a matching controller. In so doing would provide the capability to quickly and efficiently execute and matching trading transactions.

As to claim 15, DTC further discloses of institution, brokers, and interested parties information in a table, but fails to explicitly disclose a data table for each of these entities. Thus, it would have been obvious to a person skilled in the data processing art to include these data tables into DTC for facilitating easy entry and deleting users' trade information.

As to claim 16, DTC discloses the claimed limitation "wherein the standing database further comprises at least one institution information data table and wherein at least one institution information data table id for storing institution and account information" by entering account information (page 40, paragraph 1).

As to claim 17, DTC further discloses the claimed limitation "wherein the standing database further comprises at least one institution information data table and wherein the at least one broker information data table is for storing settlement information" by entering settlement information (see entire page 40).

As per claim 19, DTC discloses the claimed limitation "wherein the standing instruction database further comprises at least one institution information data table and

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wherein at least one broker information data table is for broker confirmation information” by entering institution information and broker confirmation information in a table (page 50, paragraph# 2).

As per claim 20, DTC discloses the claimed limitation wherein the data table further comprises at least one file containing the names and addresses all parties involved in the trade (page 54 paragraph# 3).

5. Claims 18 is rejected under 35 U.S.C. 103(a) as being unpatentable over DTC in view of Lupien as applied to claim 14 above further in view of Hawkins et al (US Patent No. 5,497,317)

As per claim 18, DTC and Lupien discloses information data table and a broker/institution link data table. But DTC and Lupien fails to explicitly disclose storing a set of cross-references between the broker account number and the institution customer account number. Hawkins et al discloses storing a cross-reference for a broker and institution customer account. Note column 6, lines 9-35. It would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify DTC and Lupien to include storing a set of cross-refences as taught by Hawkins et al in order to correlate alert and trade settlement messages among trade participants

### **Conclusion**

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed Romain Jeanty whose telephone number is (703) 308-9585.

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The examiner can normally be reached Monday-Thursday from 7:30 am to 6:00 pm. If attempts to reach the examiner are not successful, the examiner's supervisor, Tariq R Hafiz can be reached at (703) 305-9643.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the group receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C 20231

or faxed to:

(703) 305-7687

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington VA, and seventh floor receptionist.



Romain Jeanty

August 9, 2002

Patent Examiner

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